

How Does It Work? Existing TIFAs Only

Where a TIFA exists, the board of the TIFA may prepare a development plan and a tax increment finance plan to present to, and to be approved by, the governing body of the municipality. Once the municipal governing body has adopted the plans, the TIFA will begin realizing the revenues from improvements to property within the area covered by the development plan. This revenue must be expended only within the development area of the plan and only for the improvements and public facilities described in the plan.

The TIFA, or the municipality on behalf of the TIFA, is obligated to file an annual report with the State Tax Commission regarding the receipt and expenditure of TIFA revenue and the school tax revenues captured and retained by the TIFA.

The projects in a development plan must be public facilities and include streets, plazas, pedestrian malls and/or any improvements to public facilities including: furniture, beautification, parks, parking facilities, schools, libraries and other public institutions. Bridges, lakes, canals, utility lines, pipelines and other similar facilities are also included. Projects that would not be eligible would be those that are not public facilities, would not serve the public in general, or would occur outside the boundaries of the TIFA district.